


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER KJ 7-18-7-22				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT UNDESIGNATED				
4. TYPE OF WELL Gas Well <input type="checkbox"/> Coalbed Methane Well: NO <input type="checkbox"/>						5. UNIT or COMMUNITIZATION AGREEMENT NAME KILIMANJARO (DEEP)				
6. NAME OF OPERATOR QEP ENERGY COMPANY						7. OPERATOR PHONE 303 308-3068				
8. ADDRESS OF OPERATOR 11002 East 17500 South, Vernal, Ut, 84078						9. OPERATOR E-MAIL debbie.stanberry@questar.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU71416			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL	FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN			
LOCATION AT SURFACE	1983 FNL 1982 FEL		SWNE	18	7.0 S	22.0 E	S			
Top of Uppermost Producing Zone	1983 FNL 1982 FEL		SWNE	18	7.0 S	22.0 E	S			
At Total Depth	1983 FNL 1982 FEL		SWNE	18	7.0 S	22.0 E	S			
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 1982			23. NUMBER OF ACRES IN DRILLING UNIT 40				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 600			26. PROPOSED DEPTH MD: 12574 TVD: 12574				
27. ELEVATION - GROUND LEVEL 5099			28. BOND NUMBER ESB000024			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE A-36125/ 49-2153				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	12.25	9.625	0 - 4144	36.0	N-80 LT&C	0.0	Halliburton Light , Type Unknown	460	3.12	11.0
							Halliburton Premium , Type Unknown	380	1.47	13.5
Prod	7.875	4.5	0 - 12574	11.6	HCP-110 LT&C	10.5	Halliburton Light , Type Unknown	740	3.18	11.0
							Halliburton Premium , Type Unknown	560	1.65	13.5
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Valyn Davis			TITLE Regulatory Affairs Analyst			PHONE 435 781-4369				
SIGNATURE			DATE 08/10/2011			EMAIL Valyn.Davis@qepres.com				
API NUMBER ASSIGNED 43047517980000			APPROVAL  Permit Manager							

RECEIVED: August 17, 2011

QEP Energy Company
KJ 7-18-7-22
Summarized Drilling Procedure

1. Construct location per plat.
2. MIRU air drilling rig.
3. Pre-set conductor.
4. Nipple up diverter system.
5. Drill 12-1/4" hole to 4,144' with air/mist.
6. RIH with 9-5/8" 36# N-80 casing and cement same per program.
7. RDMO air drilling rig.
8. MIRU conventional drilling rig.
9. NU and test 5M BOPE.
10. Drill out of 9-5/8" shoe and down to 12,574' using conventional mud systems.
11. Log well. Triple or Quad-Combo (GR, NEU/DEN, IND, RES, SON)
12. RIH with 4-1/2" 11.6# HCP-110 casing and cement same per program.
13. Pressure test casing.
14. ND BOP's and NU remainder of wellhead. Set BPV.
15. RDMO.

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ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
KJ 7-18-7-22

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated top of important geologic markers are as follows:

<u>Formation</u>	<u>Depth, TVD & MD</u>
Green River	3,274'
Mahogany	4,094'
Wasatch	6,934'
Mesaverde	9,924'
Sego	12,474'
TD	12,574'

2. Anticipated Depths of Oil, Gas, Water, and Other Mineral Bearing Zones

The estimated depths at which the top of the anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth, TVD & MD</u>
Oil	Green River	3,274'
Gas	Wasatch	6,934'
Gas	Mesaverde	9,924'
Gas	Sego	12,474'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right A36125 (which was filed on May 7, 1964) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before

ONSHORE OIL & GAS ORDER NO. 1
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1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment

- A. An 11" 5000 psi double ram with blind rams and pipe rams, annular preventer and drilling spool or BOP with 2 side outlets.
- B. All BOP connections subject to pressure shall be flanged, welded or clamped.
- C. Kill line (2" min), 2 choke line valves (3" min), choke line (3" min), 2 kill line valves (2" min) and a check valve, 2 chokes with one remotely controlled from rig floor and a pressure gauge on choke manifold.
- D. Upper and Lower Kelly cock valves with handles and safety valve and subs to fit all drill string connections.
- E. IBOP or float sub available.
- F. Fill up line must be installed above the uppermost preventer.
- G. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 5M system and individual components shall be operable as designed.

4. Casing Design:

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Wt.	Grade	Thread	Cond.	Expected MW(ppg)
17 1/2"	14"	Sfc	60'	Steel	Conductor	None	Used	N/A
12-1/4"	9-5/8"	Sfc	4,144'	36#	N-80	LTC	New	Air
7 7/8"	4-1/2"	Sfc	12,574'	11.6#	HCP-110	LTC	New	10.5

Casing Strengths:				Collapse	Burst	Tensile (min)
9-5/8"	36#	N-80	LTC	2,370 psi	5,120 psi	820,000 lb.
4 1/2"	11.6#	HCP-110	LTC	8,830 psi	10,710 psi	279,000 lb.

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Casing Design Factors

*The casing prescribed above meets or exceeds the below listed design factors.

Burst: 1.2
Collapse: 1.2
Tension: 1.6

Maximum anticipated mud weight: 10.5 ppg
Maximum anticipated surface treating pressure: 7,200 psi

5. Cementing Program

9-5/8" Surface Casing:

Lead Slurry: Surface (TOC) – 3,000'. 460 sks (1409 ft³) Halliburton Extendacem, 1 pps Granulite TR 1/4, 0.125 pps Poly-E-Flake, Slurry Weight 11.0 ppg, 3.12 ft³/sk, 50% XS in open hole only.

Tail Slurry: 3,000' – 4,144'. 380 sx (555 ft³) Halliburton Econocem, 0.2% HR-5 Retarder, 1.0 pps Granulite TR 1/4, 0.125 pps Poly-E-Flake, Slurry Weight 13.5 ppg, 1.47 ft³/sk, 50% XS in open hole.

4-1/2" Production Casing*:

Lead Slurry: 3,000' (TOC) – 9,924'. 740 sks (2,345 ft³) Halliburton Extendacem, 1 pps Granulite 1/4, 0.125 pps Poly-E-Flake. Slurry Weight 11.0 lb/gal, 3.18 ft³/sk, 50% excess over gauge in open hole only.

Tail Slurry: 9,924' – 12,574'. 560 sks (909 ft³), Halliburton Expandacem, 0.3% Super CBL (Expander), 0.6% HR-800 (Retarder), 1 pps Granulite TR 1/4, 0.125 pps Poly-E-Flake (LCM). Slurry Weight 13.5 lb/gal, 1.65 ft³/sk, 50% excess over gauge hole.

*Final cement volumes to be calculated from caliper log, if run.

6. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – Yes
- C. Monitoring equipment on the mud system – PVT/Flow Show
- D. Full opening safety valve on the rig floor – Yes

ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
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- E. Rotating Head – Yes
- F. Request for Variance:

Drilling surface hole with air:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 4,144' feet and high pressures are not expected.

1. **Properly lubricated and maintained rotating head** – A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
2. **Blooiie line discharge 100 feet from wellbore and securely anchored** – the blooiie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.
3. **Automatic igniter or continuous pilot light on blooiie line** – a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
4. **Compressors located in the opposite direction from the blooiie line a minimum of 100 feet from the wellbore** – compressors located within 50 feet on the opposite side of the wellbore from the blooiie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
5. **Kill Fluid to control well** – In lieu of having mud products on location to kill the well for an unanticipated kick, QEP will kill the well with water contained in a 400 bbl tank on site. The 400 bbl water tank will also be storage for surface casing cement water.
6. **Deflector on the end of the blooiie line** – QEP will mount a deflector unit at the end of the blooiie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooiie. A washed out deflector will be easily replaced.
7. **Flare Pit** – there will be no need of a flare pit during the surface hole air drilling operation because the blooiie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.

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KJ 7-18-7-22

- G. Drilling below the 9-5/8" casing will be done with water based mud. Maximum anticipated mud weight is 10.5 ppg.
- H. No minimum quantity of weight material will be required to be kept on location.
- I. Gas detector will be used from intermediate casing depth to TD.

7. **Testing, logging and coring program**

- A. Cores – none.
- B. DST – none anticipated
- C. Logging – Mud logging – Intermediate Casing to TD
OH Logs: GR-SP-Induction, Neutron Density.
- D. Formation and Completion Interval:
 - Stimulation will be designed for the particular area of interest as encountered.

8. **Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards**

No abnormal temperatures or pressures are anticipated. Maximum anticipated bottom hole pressure equals approximately 6,865 psi. Maximum anticipated bottom hole temperature is 218° F.

H2S has not been encountered in other wells drilled to similar depths in the general area.

ONSHORE OIL & GAS ORDER NO. 1
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5M BOP STACK

Rotating Head

Spacer Spool

5M Annular

5M Double Ram

2" Kill Line
2" 5M Check Manual
2" 5M Manual
2" 5M Manual

GL

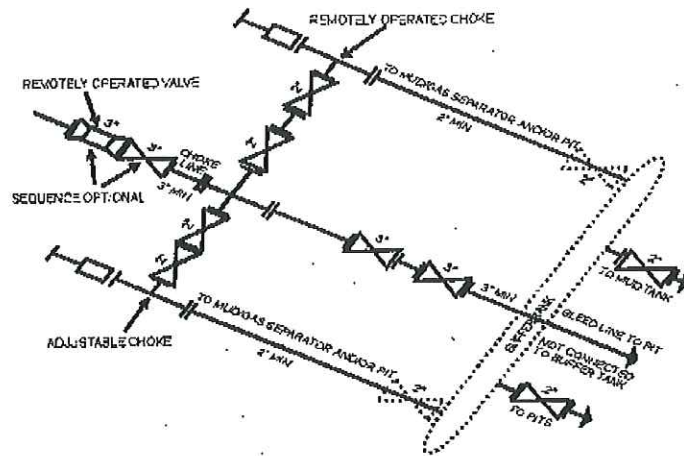
5M x 9 5/8" 5M Casing Head

Flowline

3" Choke Line

3" 5M Manual HCB
3" 5M Manual

ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
KJ 7-18-7-22



3M CHOKER MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKERS MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 284, 384, 1084, OR 1534 drawings, it would also be applicable to these situations.
[54 FR 29528, Sept. 27, 1989]

KJ 7-18-7-22
SWNE Sec 18 T7S R22E
1983' FNL & 1982' FEL Sec 18 T7S R22E S.L.B.&M.
Uintah County, Utah
KB 5,114'
GL 5,100'

14" Conductor at 60'

Cemented to surface

Top of Production Lead Cement at 3,000'
Top of Surface Tail Cement at 3,000'

12-1/4" Open Hole

9-5/8" 36# N-80 @ 4,144'

7-7/8" Open Hole

Top of Production Tail Cement @ 9,924'

4 1/2" 11.6# HCP-110

12,574'

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T7S, R22E, S.L.B.&M.

QEP ENERGY COMPANY

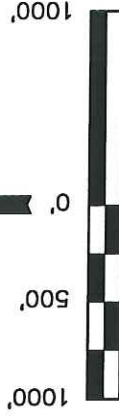
Well location, KJ #7-18-7-22, located as shown in the SW 1/4 NE 1/4 of Section 18, T7S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

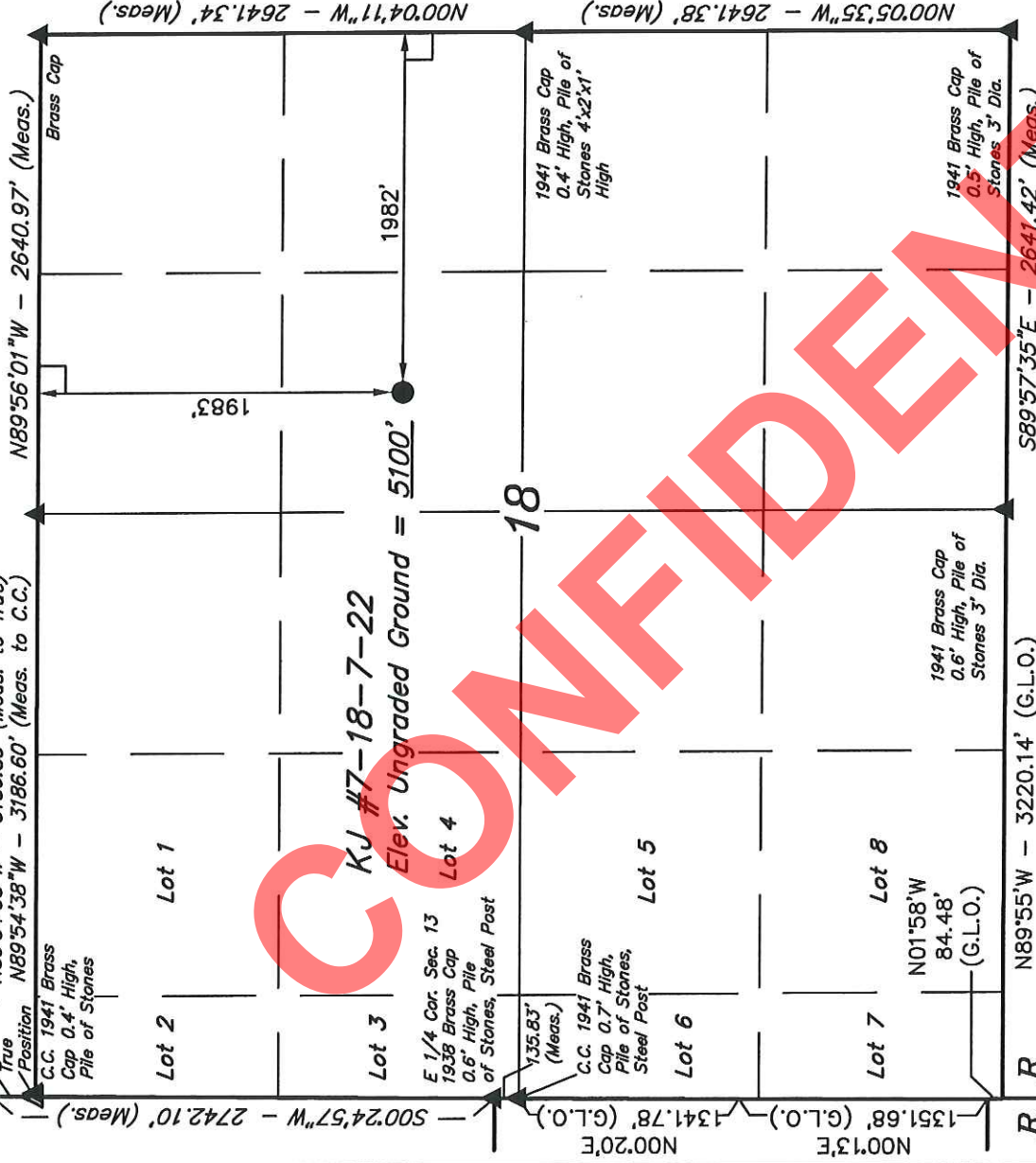
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH 06-20-11

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 05-19-11	DATE DRAWN: 05-25-11
PARTY A.F. B.A. K.O.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE	QEP ENERGY COMPANY



(NAD 83)
LATITUDE = 40°12'47.82" (40.213283)
LONGITUDE = 109°28'49.75" (109.480486)
(NAD 27)
LATITUDE = 40°12'47.95" (40.213319)
LONGITUDE = 109°28'47.27" (109.479797)

LEGEND:

— = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

QEP ENERGY COMPANY

KJ #7-18-7-22

**LOCATED IN UINTAH COUNTY, UTAH
SECTION 18, T7S, R22E, S.L.B.&M.**

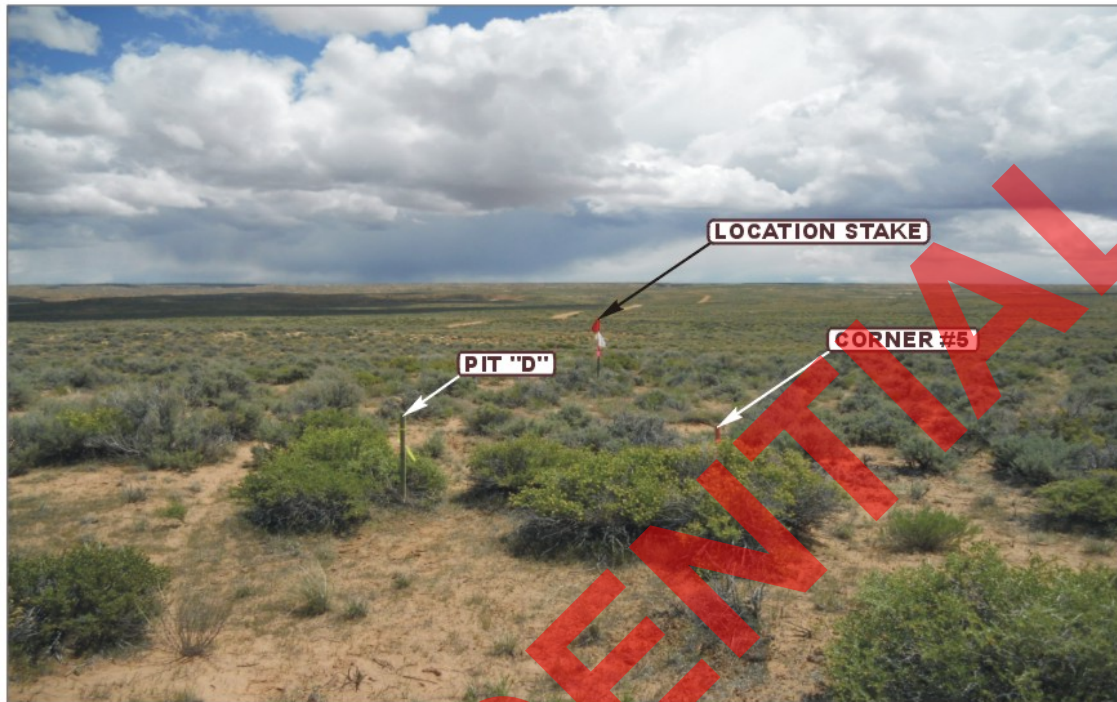


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



**U
E
L** Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS

05 **27** **11**
MONTH DAY YEAR

PHOTO

TAKEN BY: A.F.

DRAWN BY: S.F.

REVISED: 00-00-00

T7S, R22E, S.L.B.&M.

QEP ENERGY COMPANY

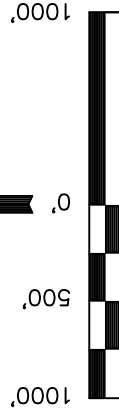
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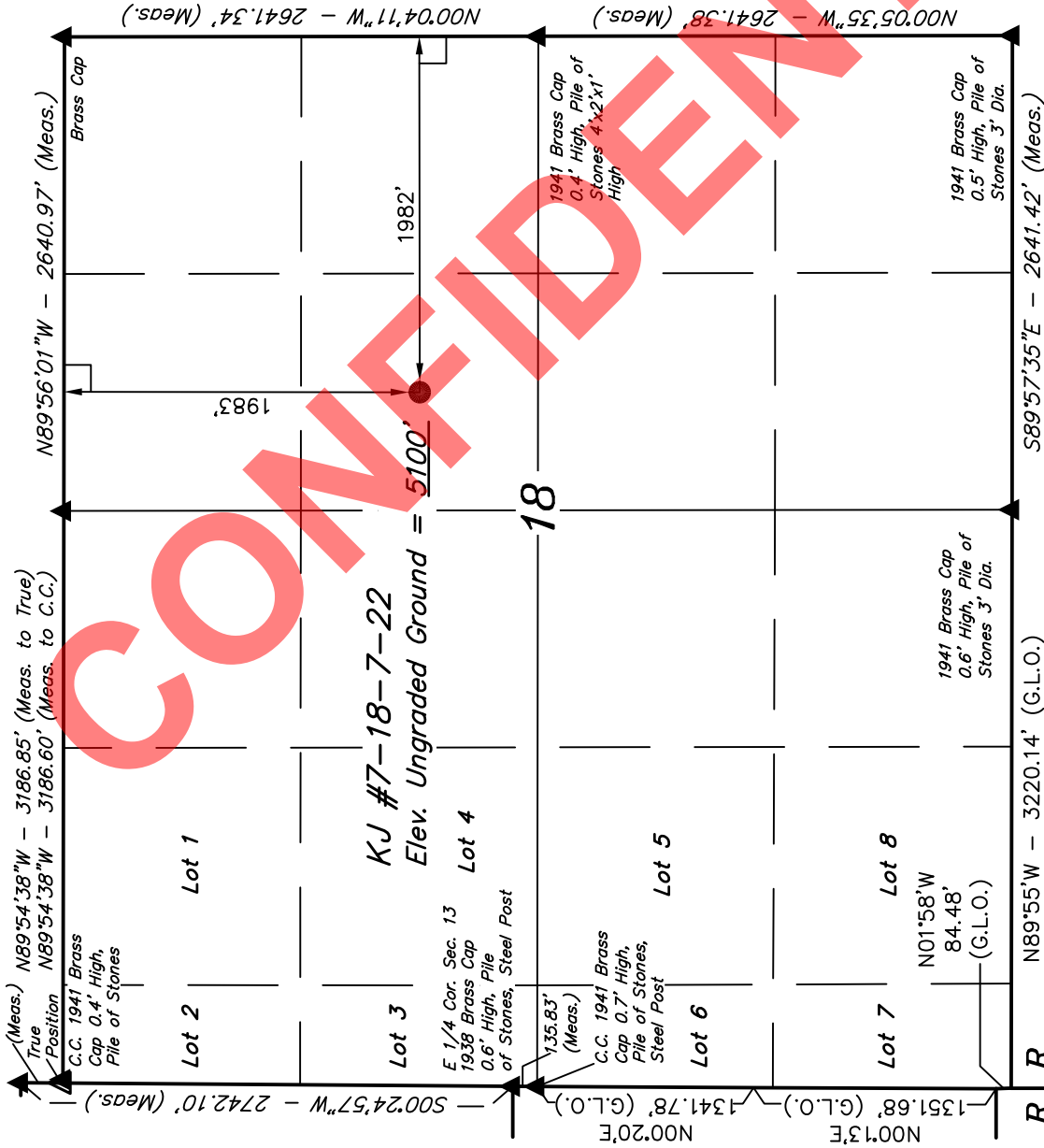
ROBERT L. KAY
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH
05-20-11

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

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SCALE 1" = 1000'	DATE SURVEYED: 05-19-11	DATE DRAWN: 05-25-11
PARTY A.F. B.A. K.O.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE	QEP ENERGY COMPANY



R R N89°55'W - 3220.14' (G.L.O.)

S89°57'35\"E - 2641.42' (Meas.)

N00°05'35\"W - 2641.38' (Meas.)

N00°04'11\"W - 2641.34' (Meas.)

(NAD 83)
LATITUDE = 40°12'47.82\" (40.213283)
LONGITUDE = 109°28'49.75\" (109.480486)
(NAD 27)
LATITUDE = 40°12'47.95\" (40.213319)
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LEGEND:

— = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

RECEIVED: August 10, 2011

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QEP ENERGY COMPANY

TYPICAL CROSS SECTIONS FOR

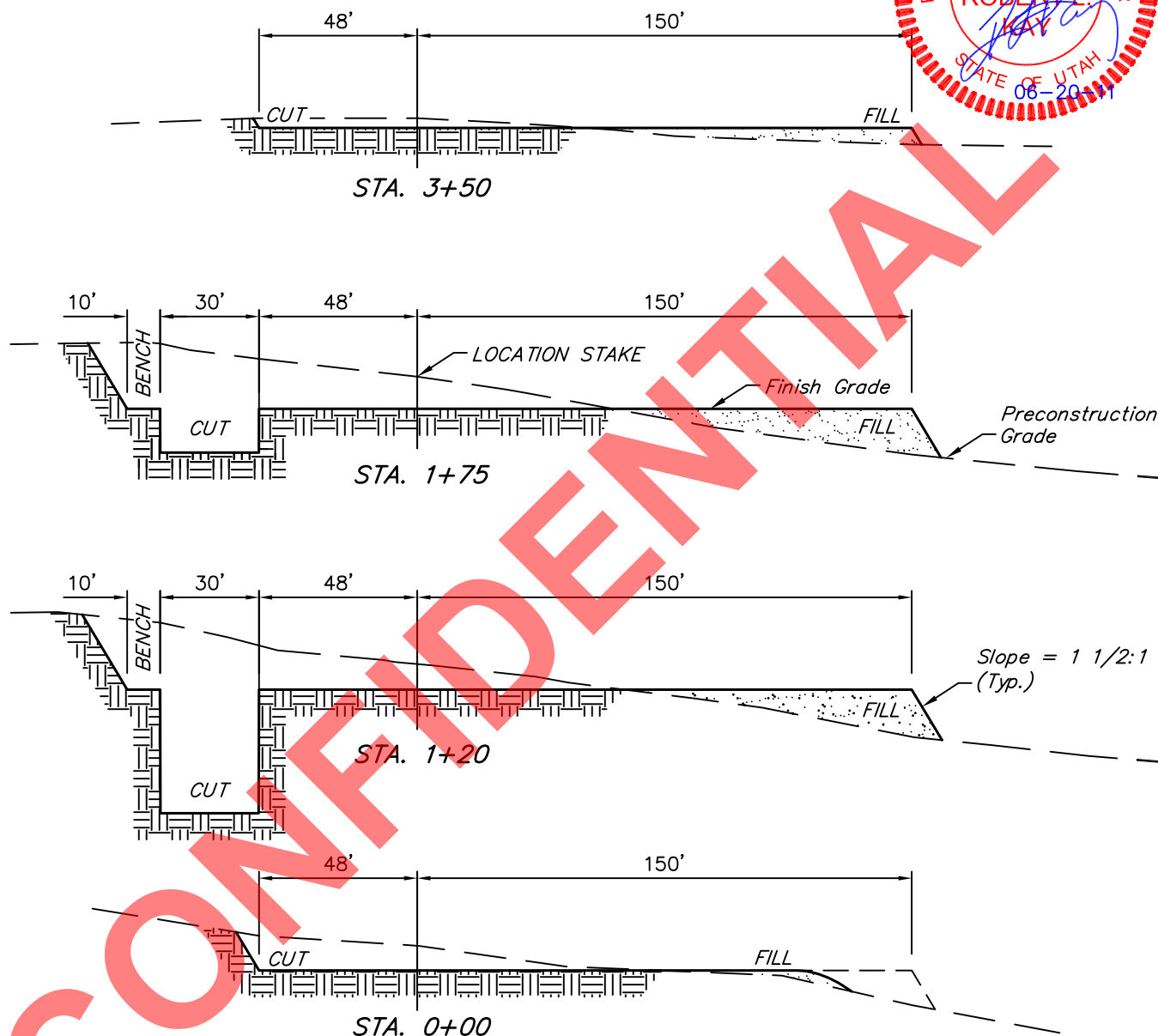
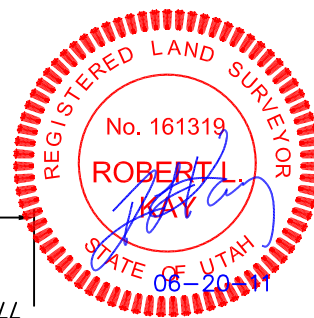
KJ #7-18-7-22

SECTION 18, T7S, R22E, S.L.B.&M.

1983' FNL 1982' FEL

FIGURE #2

1" = 20'
X-Section
Scale
1" = 50'
DATE: 05-25-11
DRAWN BY: K.O.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 2.018 ACRES
ACCESS ROAD DISTURBANCE = ± 0.252 ACRES
PIPELINE DISTURBANCE = ± 0.268 ACRES
TOTAL = ± 2.538 ACRES

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,570 Cu. Yds.
Remaining Location = 5,060 Cu. Yds.
TOTAL CUT = 6,630 CU.YDS.
FILL = 4,500 CU.YDS.

EXCESS MATERIAL = 2,130 Cu. Yds.
Topsoil & Pit Backfill = 2,130 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

RECEIVED: August 10, 2011

QEP ENERGY COMPANY

TYPICAL RIG LAYOUT FOR

KJ #7-18-7-22

SECTION 18, T7S, R22E, S.L.B.&M.

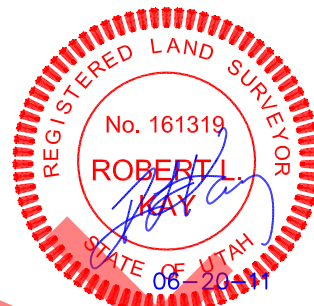
1983' FNL 1982' FEL

FIGURE #3

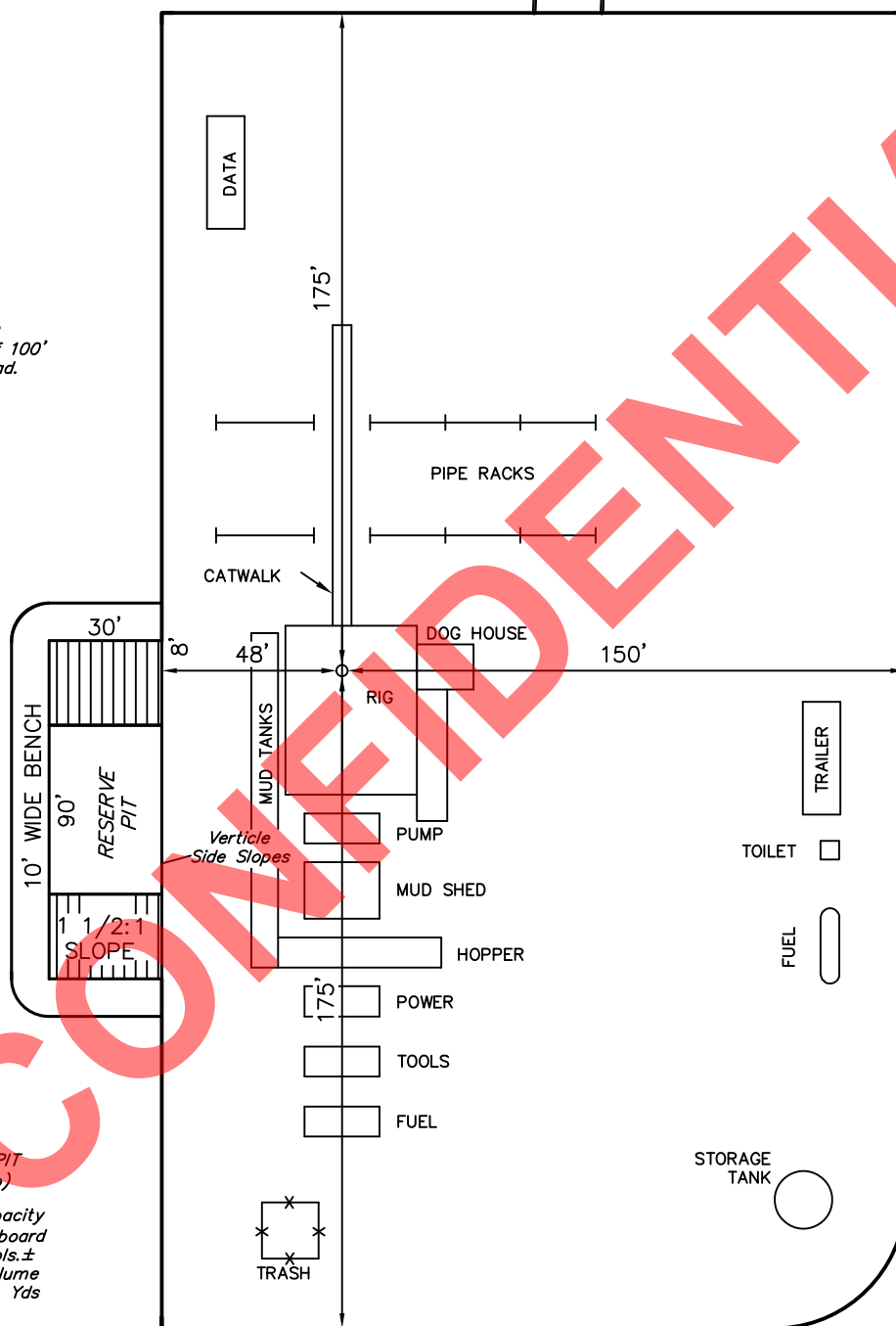
SCALE: 1" = 50'

DATE: 05-25-11

DRAWN BY: K.O.

Proposed
Access RoadNOTE:

Flare Pit is to be
located a min. of 100'
from the Well Head.



RESERVE PIT
(15' Deep)

Total Pit Capacity
W/2' of Freeboard
= 4,480 Bbls.±
Total Pit Volume
= 1,120 Cu. Yds

UINTAH ENGINEERING & LAND SURVEYING

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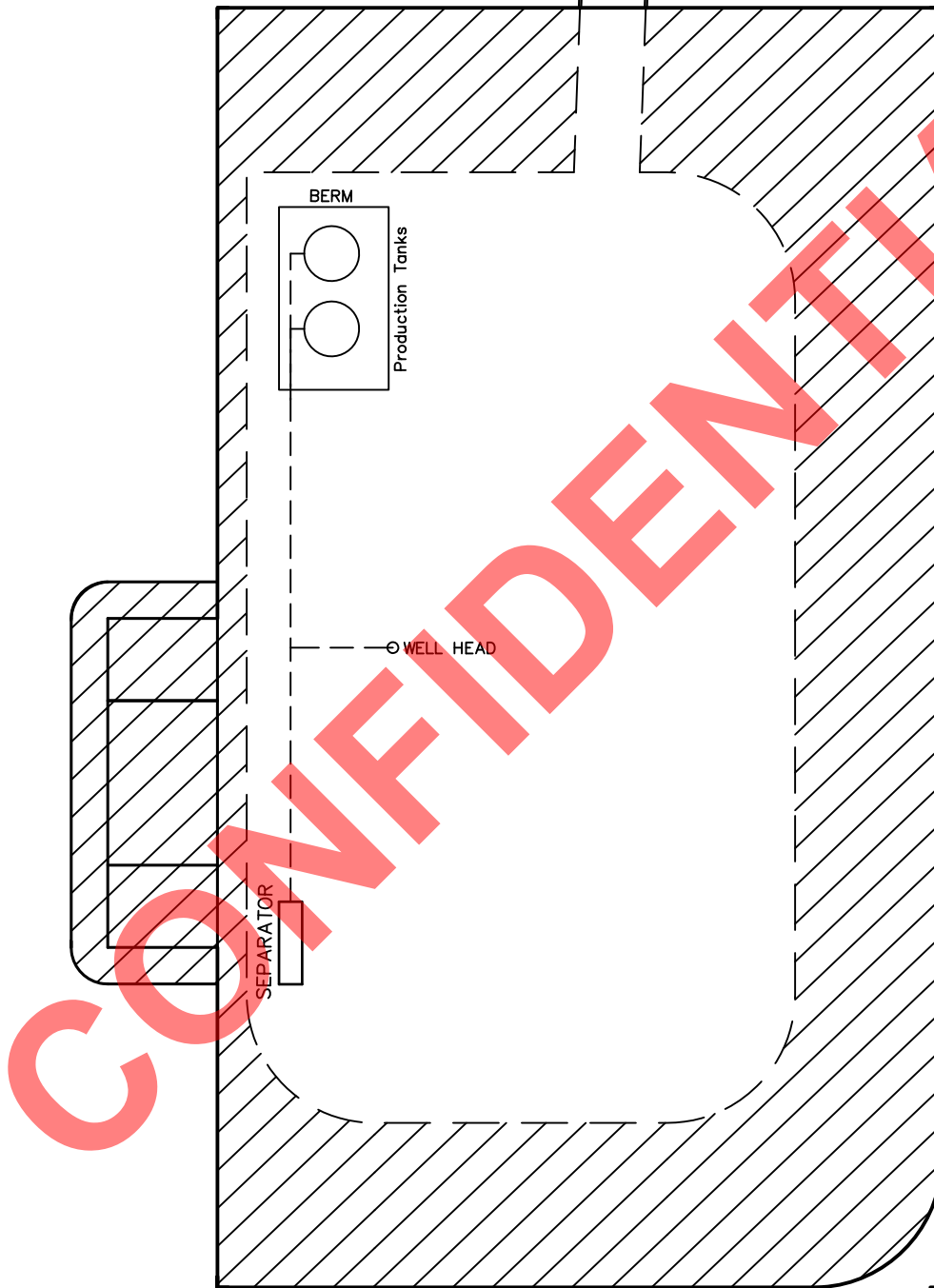
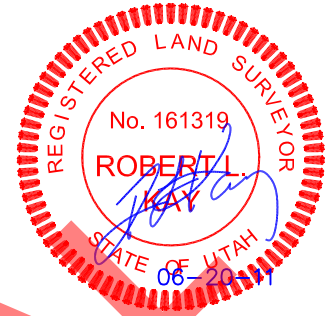
QEP ENERGY COMPANY
PRODUCTION FACILITY LAYOUT FOR
KJ #7-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.
1983' FNL 1982' FEL

FIGURE #4

SCALE: 1" = 50'
DATE: 05-25-11
DRAWN BY: K.O.



Access Road



RECLAIMED AREA

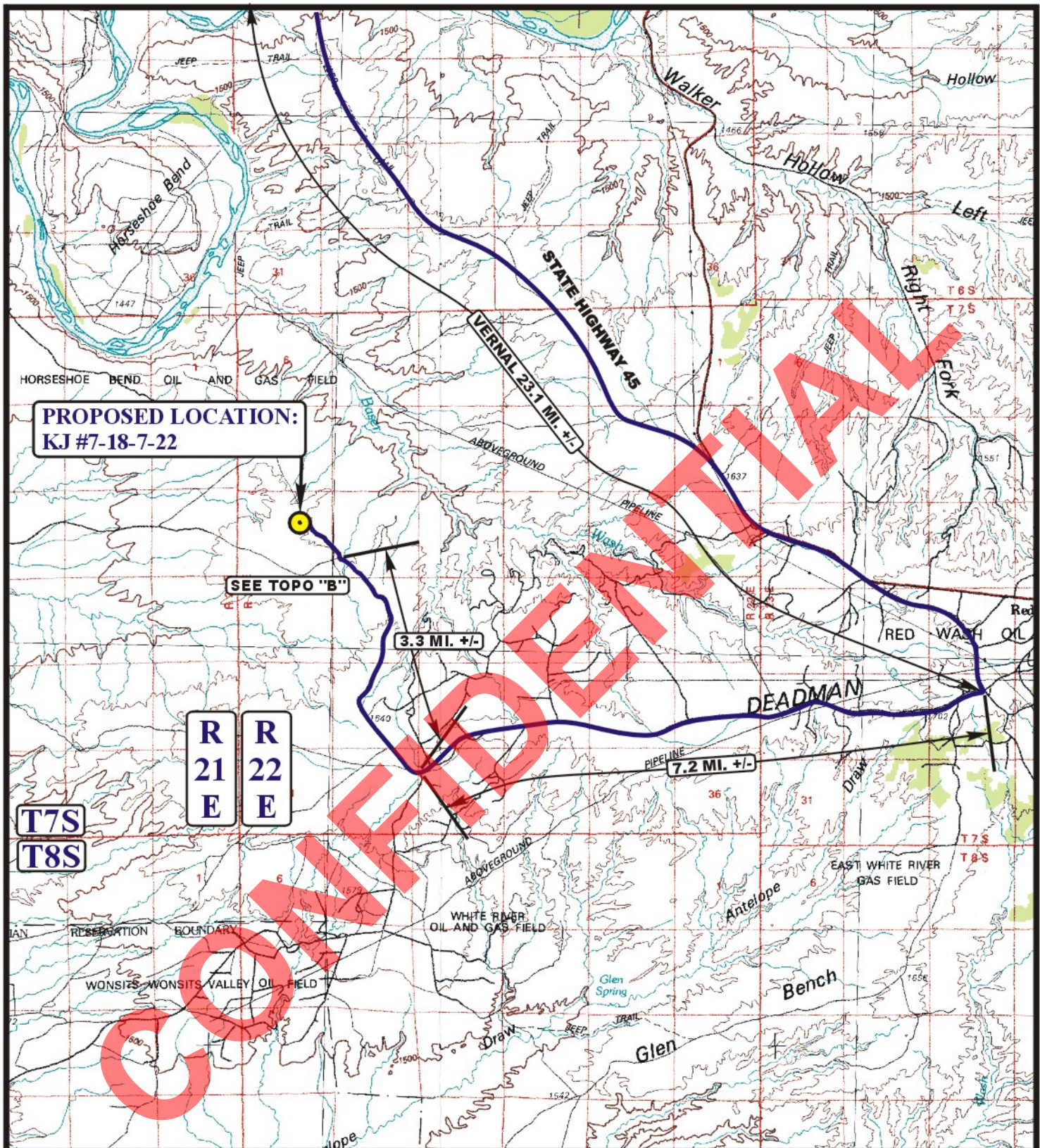
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

RECEIVED: August 10, 2011

QEP ENERGY COMPANY
KJ #7-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 19.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN WESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 7.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY, THEN NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 366' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 34.4 MILES.



LEGEND:

● PROPOSED LOCATION

QEP ENERGY COMPANY

KJ #7-18-7-22

SECTION 18, T7S, R22E, S.L.B.&M.
1983' FNL 1982' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



ACCESS ROAD
MAP

05 27 11
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: S.F.

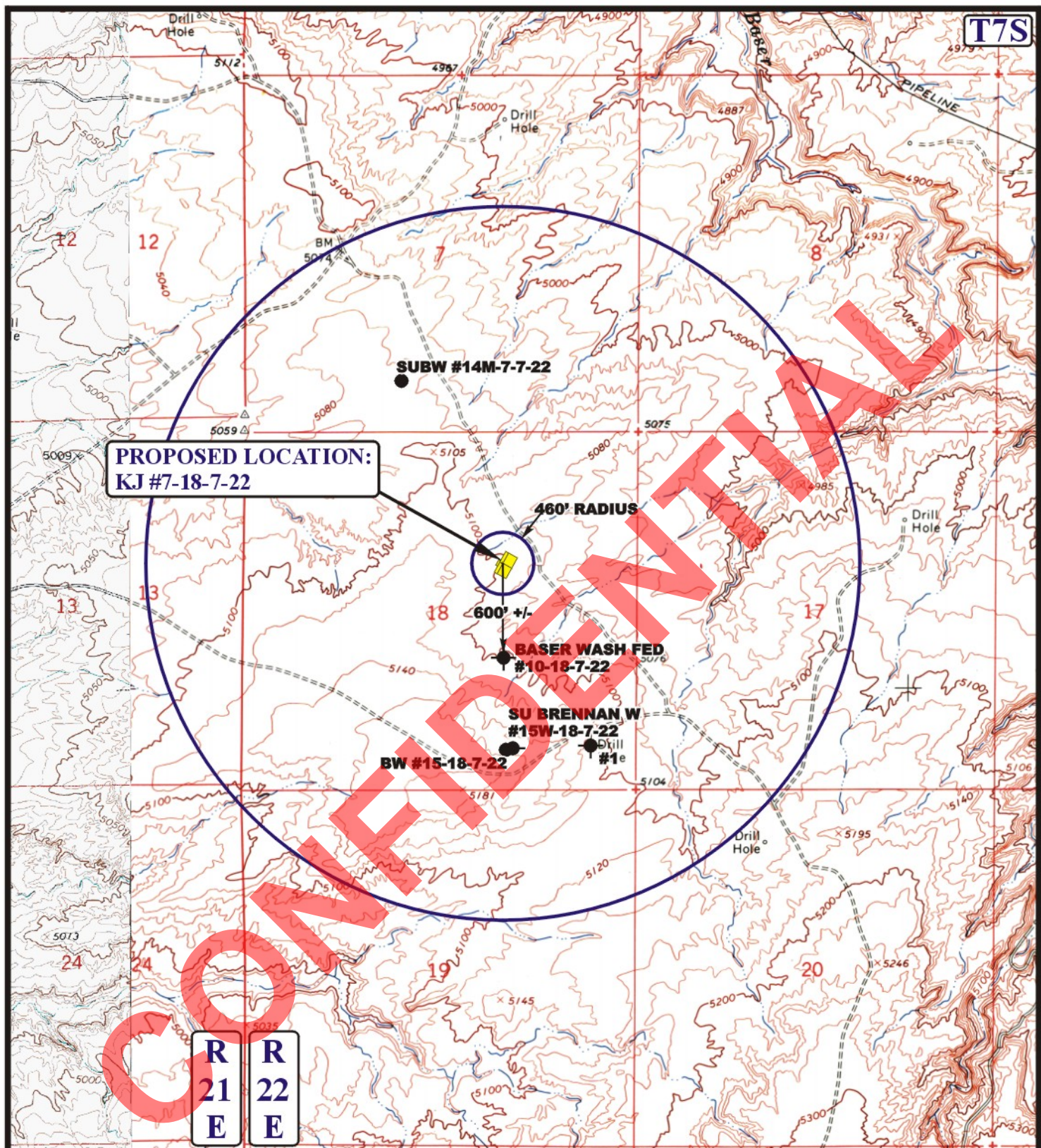
REVISED: 00-00-00





B
TOPO

REVISD: 00-00-00

**LEGEND:**

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**QEP ENERGY COMPANY**

KJ #7-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.
1983' FNL 1982' FEL

TOPOGRAPHIC
MAP

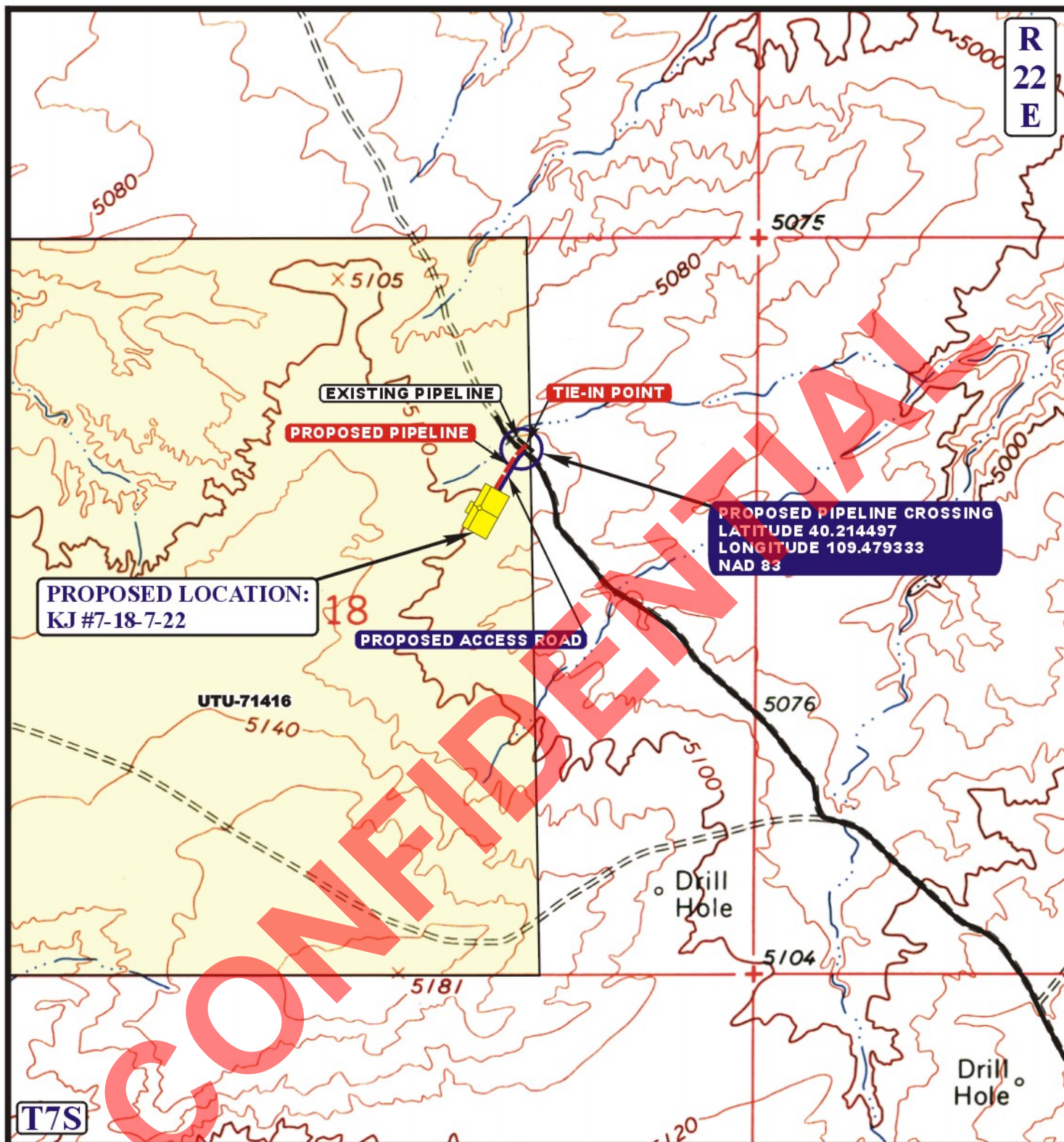
05 27 11
 MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: S.F.

REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 390' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- - - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



QEP ENERGY COMPANY

KJ #7-18-7-22
SECTION 18, T7S, R22E, S.L.B.&M.
1983' FNL 1982' FEL

TOPOGRAPHIC
MAP

05 27 11
MONTH DAY YEAR

SCALE: 1" = 1000' **DRAWN BY: S.F.** **REVISED: 00-00-00**

D
TOPO

Additional Operator Remarks

QEP Energy Company proposes drill a vertical gas well to a depth of 12,574' to test the Mesa Verde Formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Please see Onshore Order No. 1.

Please refer to QEP Energy Company Greater Deadman Bench
EIS UT-080-2003-0369V Record of Decision dated March 31, 2008.

Please be advised that QEP Energy Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP Energy Company via surety as consent as provided for the 43 CFR 3104.2.

CONFIDENTIAL

**QEP ENERGY COMPANY
KJ 7-18-7-22
1983' FNL 1982' FEL
SWNE SECTION 18, T7S, R22E
UINTAH COUNTY, UTAH
LEASE # UTU-71416**

**ONSHORE ORDER NO. 1
MULTI – POINT SURFACE USE & OPERATIONS PLAN**

An onsite inspection was conducted for the KJ 7-18-7-22 on July 21, 2011. Weather conditions were sunny at the time of the onsite. In attendance at the inspection were the following individuals:

Kevin Sadlier	Bureau of Land Management
Aaron Roe	Bureau of Land Management
Melissa Wardle	Bureau of Land Management
Daniel Emmett	Bureau of Land Management
Brandon McDonald	Bureau of Land Management
Jan Nelson	QEP Energy Company
Ryan Angus	QEP Energy Company
Valyn Davis	QEP Energy Company
Bob Haygood	QEP Energy Company
Andy Floyd	Uintah Engineering & Land Surveying

1. Existing Roads:

The proposed well site is approximately 34 miles South of Vernal, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

All existing roads will be maintained and kept in good repair during all phases of operation.

2. Planned Access Roads:

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

There will be a new access road approximately 366' in length, containing approximately .252 acres. The access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30'. Any additional disturbance required due to intersections or sharp curves will be discussed at the on-site and approved by the BLM/VFO AO. Graveling or capping the roadbed will be performed as necessary to provide a well constructed safe road. Should conditions warrant, rock, gravel or culverts will be installed as needed. Surface disturbance and vehicular traffic will be limited to the approved location and access route or, as proposed by the Operator.

Access roads and surface disturbing activities will conform to standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and gas Exploration and Development, Fourth Edition 2006. The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards. The access road disturbed area will be kept free of trash during operations. All traffic will be confined to the approved road running surface. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause excess siltation or accumulation of debris in the drainage nor shall the drainage be blocked by the roadbed. If culverts are needed, the location and size of the culverts will be proposed during the on-site. The operator will clean and maintain approved culverts as needed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, the holes shall be filled in and detours around the holes avoided. When snow is removed from the road during the winter months, the snow should be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

Refer to Topo Map B for the location of the proposed access road.

3. **Location of Existing Wells Within a 1 – Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

The following guidelines will apply if the well is productive.

A containment dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The specific APD will address additional capacity if such is needed due to environmental concerns. The use of topsoil for the construction of dikes will not be allowed.

All loading lines will be placed inside the berm surrounding the tank batteries.

All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a color approved by the State.

It was determined on the onsite by the BLM VFO AO that the facilities will be painted Covert Green.

Refer to Topo Map D for the location of the proposed pipeline.

The proposed surface pipeline will be constructed utilizing existing disturbed areas to minimize surface disturbance. No construction activities will be allowed outside of the proposed pipeline.

Prior to construction, the Permittee will develop a plan of installation to minimize surface disturbance. Pipe will be strung along the pipeline route with either a flatbed trailer and rubber tired backhoe or a tracked typed side boom. Where surface conditions do not allow the pipe to be strung using conventional methods, the Permittee will utilize pull sections to run the fabricated pipe through the area from central staging areas along the pipeline route.

Upon completion of stringing activities the Permittee will fabricate the pipeline on wooden skids adjacent to the centerline of the pipeline route using truck mounted welding machines. All fabricated piping will be lowered off of the wooden skids and placed along the centerline. Upon completion of all activities, the wooden skids will be removed from the pipeline route using a flatbed truck or flatbed truck and trailer.

When the surface terrain prohibits the Permittee from safely installing the pipeline along the pipeline route, grading of the route will be required. Prior to installing the pipeline in these areas a plan will be developed to safely install the pipeline while minimizing grading activities and surface disturbances. Additionally, erosion control Best Management Practices will be installed as needed prior to the start of any grading activities. Surface grading will be limited to what is needed to safely install the pipeline. Track type bulldozers and track type backhoes will be utilized for grading activities.

Upon completion of the pipeline installation, the pipeline route will be restored to the pre-disturbance surface contours.

The proposed pipeline will be a surface 10" or smaller, 390' in length, containing .268 acres.

Road Crossings

Fusion Bond or concrete coated pipe will be used for all road crossings to alleviate future corrosion.

All pipe and fittings used for road crossings will be prefabricated within the proposed pipeline route to minimize the duration of open pipe trench across the roadway. Pipe used for road crossings will be isolated on each end with a flange set and insulation kit and cathodically protected with a magnesium type anode. Adequately sized equipment will be used for minor and major road crossings. Depth of cover for minor roads will be >4' and the depth of cover for major roads will be >6'.

Prior to lowering the pipe in the trench, the Permittee will "Jeep" the pipe to locate and repair any Holidays in the pipe coating. Upon lowering the pipe in the trench, 6" of bedding and a minimum of 6" of shading will be installed to protect the pipe using either native soils <1" in diameter or imported sand. Pipe trenches that extend across gravel roads will be backfilled with native soils to within 8" of the driving surface and capped with 3/4" road base. Pipe trenches that extend across asphalt paved roads will be backfilled to 4" of the driving surface with 3/4" road base and capped asphalt material.

5. Location and Type of Water Supply:

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

Water for drilling purposes would be obtained from Wonsits Valley Water Right # A 36125 (which was filed on May 7, 1964) or Red Wash Water Right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System.

6. Source of Construction Materials:

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. Methods of Handling Waste Materials:

Please refer to QEP Energy Company Greater Deadman Bench EIS UTU-080-200-0369V Record of Decision dated March 31, 2008.

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 6 months after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

It will be determined at the on-site inspection if a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner, a minimum of 20 millimeters thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place.

No trash or scrap will be disposed of in the pit.

Reserve pit leaks are considered an undesirable event and will be orally reported to the AO.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days.

After the 90 day period, the produced water will be contained in tanks on location and then hauled by truck to one of the following pre-approved disposal sites:

Red Wash Disposal well located in the SESE, Section 28, T7S, R23E,
West End Disposal located in the NESE, Section 28, T7S, R22E.

Produced water, oil, and other byproducts will not be applied to roads or well pads for the control of dust or weeds. The dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site. The spills will be reported to the AO and other authorities as appropriate.

A chemical porta-toilet will be furnished with the drilling rig. The chemical porta-toilet wastes will be hauled to Ashley Valley Sewer and Water System for disposal.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig. All trash and waste material will be hauled to the Uintah County Landfill.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within these areas. Specific APD's shall address any modifications from this policy.

8. Ancillary Facilities:

None anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram rig orientation, parking areas, and access roads, as well as the location of the following:

The reserve pit.

The stockpiled topsoil will not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with topsoil.

The flare pit or flare box will be located downwind from the prevailing wind direction.

Any drainage that crosses the well location will be diverted around the location by using ditches, water diversion drains or berms. If deemed necessary at the on-site, erosion drains may be installed to contain sediments that could be produced from access roads and well locations.

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. Fencing Requirements:

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet. All wire shall be stretched using a stretching device before it is attached to corner posts.

The reserve pit will be fenced on three (3) sides during drilling operations. The fourth side will be put in place when the rig moves off location. The pit will be

fenced and maintained until it is backfilled. If drilling operations does not commence within 3 days, the fourth side of the fence will be installed

11. Plans for Reclamation of the Surface:

Please refer to QEP Energy Company Uinta Basin Division Reclamation Plan

Site Specific Procedures:

Site Specific Reclamation Summary:

Reclamation will follow Questar Exploration and Production Company, Uinta Basin Division's Reclamation Plan, September 2009 (Questar's Reclamation Plan) and the BLM Green River District Reclamation Guidelines.

All trash and debris will be removed from the disturbed area.

The disturbed area will be backfilled with subsoil.

Topsoil will be spread to an even, appropriate depth and disked if needed.

Water courses and drainages will be restored.

Erosion control devices will be installed where needed.

Seeding will be done in the fall, prior to ground freeze up.

Seed mix will be submitted to a BLM AO for approval prior to seeding.

Monitoring and reporting will be conducted as stated in Questar's Reclamation Plan. A sundry notice (Form 3160.5), for the Reference Site and Weed Data Sheet will be filed at a later date.

It was determined and agreed upon that there is 8" inches of top soil.

12. Surface Ownership:

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

13. Other Information:

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted on July 15, 2011, **Moac Report No. 11-164** by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

A Class III paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted on June 25, 2011 **IPC # 11-86** by

Stephen D. Sandau. The inspection resulted in the location of no fossil resources. However, if vertebrate fossil(s) are found during construction a paleontologist should be immediately notified. QEP Energy Company will provide Paleo monitor if needed.

Per the onsite on July 21, 2011, the following items were requested/discussed.

There is a Ferruginous Hawk Stipulation from March 1 to August 1. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

CONFIDENTIAL

Lessee's or Operator's Representative & Certification:

Valyn Davis
Regulatory Affairs Analyst
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078
(435) 781-4331

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

QEP Energy Company is considered to be the operator of the subject well.
QEP Energy Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104.2 for lease activities is being provided by Bond No. ESB000024

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operations; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.


Valyn Davis

8/10/2011
Date

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

August 12, 2011

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2011 Plan of Development Kilimanjaro Unit,
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2011 within the Kilimanjaro Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ MESA VERDE)		
43-047-51798	KJ 7-18-7-22 Sec 18 T07S R22E 1983 FNL 1982 FEL	
43-047-51826	KJ 13-20-7-22 Sec 20 T07S R22E 0528 FSL 0798 FWL	

This office has no objection to permitting the wells at this time.

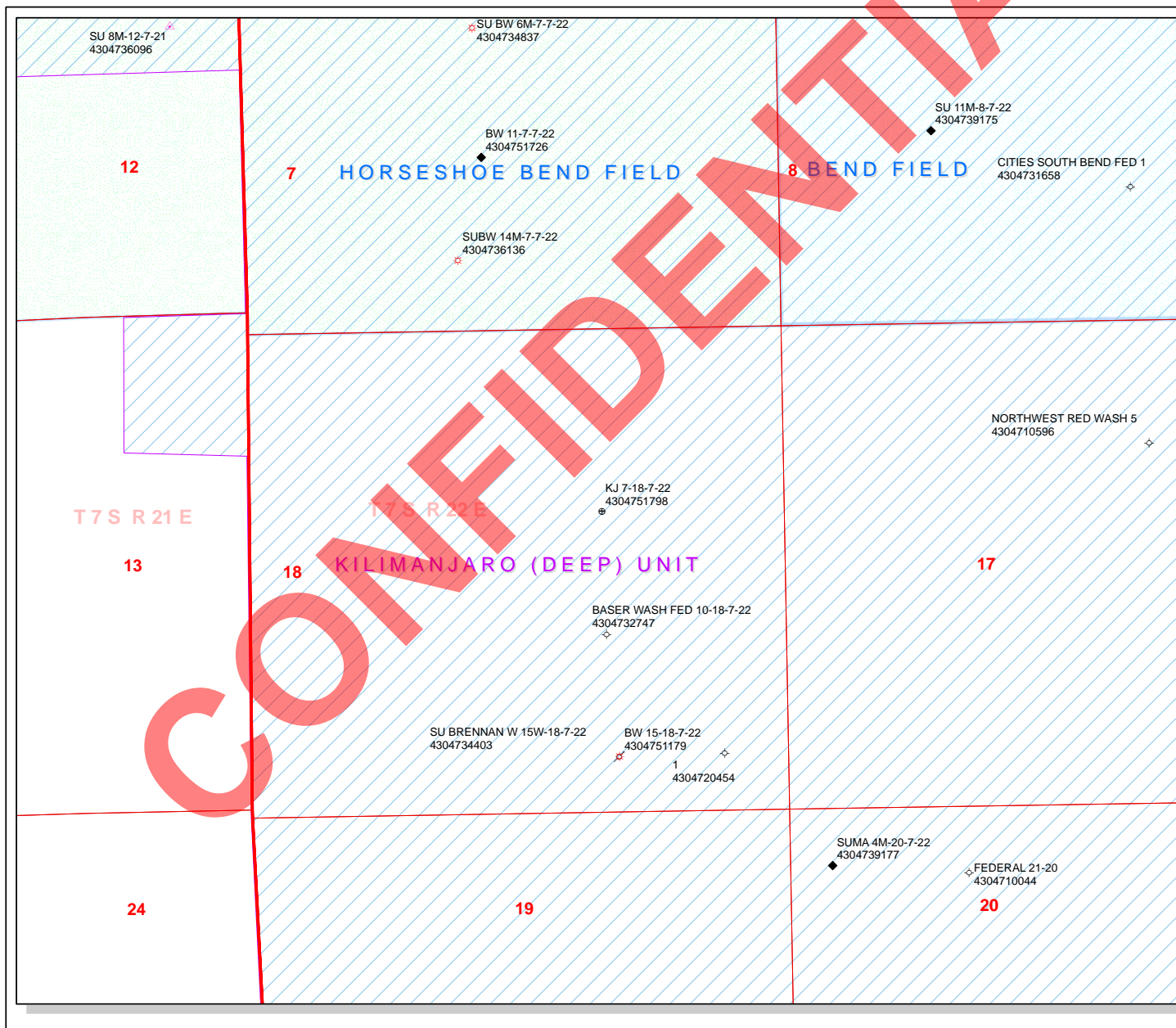
Michael L. Coulthard

Digitally signed by Michael L. Coulthard
DN: cn=Michael L. Coulthard, o=Bureau of Land Management,
ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2011.08.12 07:17:31 -06'00'

bcc: File - Kilimanjaro Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:8-12-11

RECEIVED: August 17, 2011



API Number: 4304751798

Well Name: KJ 7-18-7-22

Township T0.7 . Range R2.2 . Section 18

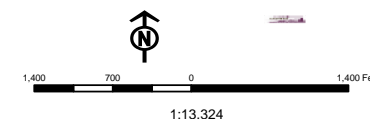
Meridian: SLBM

Operator: QEP ENERGY COMPANY

Map Prepared:

Map Produced by Diana Mason

Units	Wells Query
STATUS	Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERML	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Fields	SGW - Shut-in Gas Well
STATUS	SOW - Shut-in Oil Well
Unknown	TA - Temp. Abandoned
ABANDONED	TW - Test Well
ACTIVE	WDW - Water Disposal
COMBINED	WIW - Water Injection Well
INACTIVE	WSW - Water Supply Well
STORAGE	
TERMINATED	
Sections	
Township	



WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/10/2011**API NO. ASSIGNED:** 43047517980000**WELL NAME:** KJ 7-18-7-22**OPERATOR:** QEP ENERGY COMPANY (N3700)**PHONE NUMBER:** 435 781-4369**CONTACT:** Valyn Davis**PROPOSED LOCATION:** SWNE 18 070S 220E**Permit Tech Review:** ☒**SURFACE:** 1983 FNL 1982 FEL**Engineering Review:** ☐**BOTTOM:** 1983 FNL 1982 FEL**Geology Review:** ☒**COUNTY:** UINTAH**LATITUDE:** 40.21332**LONGITUDE:** -109.47978**UTM SURF EASTINGS:** 629367.00**NORTHINGS:** 4452332.00**FIELD NAME:** UNDESIGNATED**LEASE TYPE:** 1 - Federal**LEASE NUMBER:** UTU71416**PROPOSED PRODUCING FORMATION(S):** MESA VERDE**SURFACE OWNER:** 1 - Federal**COALBED METHANE:** NO**RECEIVED AND/OR REVIEWED:**

- ☒ **PLAT**
- ☒ **Bond:** FEDERAL - ESB000024
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☒ **Water Permit:** A-36125/ 49-2153
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**
- Commingle Approved**

LOCATION AND SITING:

- ☐ **R649-2-3.**
- Unit:** KILIMANJARO (DEEP)
- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☒ **Drilling Unit**
- Board Cause No:** R649-3-2
- Effective Date:**
- Siting:**
- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed**Stipulations:** 4 - Federal Approval - dmason
23 - Spacing - dmason**RECEIVED:** August 17, 2011



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: KJ 7-18-7-22
API Well Number: 43047517980000
Lease Number: UTU71416
Surface Owner: FEDERAL
Approval Date: 8/17/2011

Issued to:

QEP ENERGY COMPANY, 11002 East 17500 South, Vernal, Ut 84078

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "John Rogers", written over a horizontal line.

For John Rogers
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71416
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: KILIMANJARO (DEEP)
1. TYPE OF WELL Gas Well		8. WELL NAME and NUMBER: KJ 7-18-7-22
2. NAME OF OPERATOR: QEP ENERGY COMPANY		9. API NUMBER: 43047517980000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078		PHONE NUMBER: 303 308-3068 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983 FNL 1982 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 18 Township: 07.0S Range: 22.0E Meridian: S		9. FIELD and POOL or WILDCAT: UNDESIGNATED COUNTY: Uintah STATE: Utah
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/17/2013 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	TYPE OF ACTION <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <div style="display: flex; justify-content: space-between;"> <div style="width: 70%;"> QEP ENERGY COMPANY HEREBY REQUESTS A ONE YEAR EXTENSION FOR THE APD ON THE ABOVE CAPTIONED WELL. </div> <div style="width: 25%; text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining Date: August 28, 2012 By: </div> </div>		
NAME (PLEASE PRINT) Valyn Davis		PHONE NUMBER 435 781-4369
SIGNATURE N/A		TITLE Regulatory Affairs Analyst DATE 8/14/2012



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047517980000

API: 43047517980000

Well Name: KJ 7-18-7-22

Location: 1983 FNL 1982 FEL QTR SWNE SEC 18 TWNP 070S RNG 220E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 8/17/2011

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Valyn Davis

Date: 8/14/2012

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY

RECEIVED: Aug. 14, 2012

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71416
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: QEP ENERGY COMPANY		7. UNIT or CA AGREEMENT NAME: KILIMANJARO (DEEP)
3. ADDRESS OF OPERATOR: 11002 East 17500 South, Vernal, Ut, 84078		8. WELL NAME and NUMBER: KJ 7-18-7-22
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983 FNL 1982 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 18 Township: 07.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047517980000
PHONE NUMBER: 303 308-3068 Ext		9. FIELD and POOL or WILDCAT: UNDESIGNATED
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/17/2014	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 QEP ENERGY COMPANY HEREBY REQUESTS A ONE YEAR EXTENSION FOR THE APD ON THE ABOVE CAPTIONED WELL.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: August 15, 2013

By:

NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBER 435 781-4331	TITLE Permit Agent
SIGNATURE N/A	DATE 8/15/2013	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047517980000

API: 43047517980000

Well Name: KJ 7-18-7-22

Location: 1983 FNL 1982 FEL QTR SWNE SEC 18 TWNP 070S RNG 220E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 8/17/2011

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
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- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
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- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Jan Nelson

Date: 8/15/2013

Title: Permit Agent Representing: QEP ENERGY COMPANY

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU71416
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		STATE: UTAH

11.


CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/17/2015	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>
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QEP ENERGY COMPANY HEREBY REQUESTS A ONE YEAR EXTENSION FOR
THE APD ON THE ABOVE CAPTIONED WELL.

Approved by the
August 18, 2014
Oil, Gas and Mining

Date: _____
By: 

NAME (PLEASE PRINT) Valyn Davis	PHONE NUMBER 435 781-4369	TITLE Regulatory Affairs Analyst
SIGNATURE N/A		DATE 8/14/2014



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047517980000

API: 43047517980000

Well Name: KJ 7-18-7-22

Location: 1983 FNL 1982 FEL QTR SWNE SEC 18 TWNP 070S RNG 220E MER S

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Signature: Valyn Davis

Date: 8/14/2014

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY



Diana Mason <dianawhitney@utah.gov>

APD's Rescind

Valyn Davis <Valyn.Davis@qepres.com>
To: Diana Mason <dianawhitney@utah.gov>

Mon, Aug 10, 2015 at 11:28 AM

Hi Diana-

Can you please rescind the following APD's:

4304740615- JB 1G-28-7-21

4304751716- KJ 6-11-7-22

4304751726- BW 11-7-7-22

4304751798- KJ 7-18-7-22

4304751826- KJ 13-20-7-22

4304715086- WHITE RIVER U 27-10 (Re-entry)

4304740354- GH 10BD-21-8-21

4304738191- WVX 16MU-18-8-21

Thank you and have a great rest of the week-

Valyn

Valyn Davis
Permit Agent

P 435.781.4369 \ M 435.828.1058

11002 E 17500 S
Vernal \ UT \ 84087

valyn.davis@qepres.com

www.qepres.com





GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 13, 2015

Valyn Davis
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078

Re: APDs Rescinded for QEP Energy Company, Uintah County

Dear Ms. Davis:

Enclosed find the list of APDs that you asked to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded effective August 10, 2015.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



43-047-40615- JB 1G-28-7-21
43-047-51716- KJ 6-11-7-22
43-047-51726- BW 11-7-7-22
43-047-51798- KJ 7-18-7-22
43-047-51826- KJ 13-20-7-22
43-047-15086- WHITE RIVER U 27-10 (Re-entry)
43-047-40354- GH 10BD-21-8-21
43-047-38191- WVX 16MU-18-8-21



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 13, 2015

Valyn Davis
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078

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Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

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43-047-40354- GH 10BD-21-8-21
43-047-38191- WVX 16MU-18-8-21

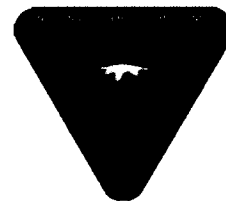


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



AUG 20 2015

IN REPLY REFER TO:
3160 (UTG011)

Jan Nelson
QEP Energy Company
11002 East 17500 South
Vernal, UT 84078

RECEIVED
AUG 24 2015
DIV. OF OIL, GAS & MINING

Dear Jan:

The following Applications for Permit to Drill (APD) are being returned unapproved per a request to this office in an email message from Julie Jacobson to Natural Resource Specialist Kevin Sadlier received on August 11, 2015. If you intend to drill at any of these locations at a future date, a new APD must be submitted.

43-047-

Lease	Well	Aliquot	Sec., T., R.	Date Rec'd
UTU-011226B	KJ 6-11-7-22 51716	SENW	Sec. 11-T7S-R22E	6/28/2011
UTU-16551	JB 1G-28-7-21 40615	NENE	Sec. 28-T7S-R21E	9/17/2009
UTU-43918	WRU 27-10R 15086	SWNE	Sec. 10-T8S-R22E	3/7/2012
UTU-71416	KJ 7-18-7-22 51798	SWNE	Sec. 18-T7S-R22E	8/9/2011
UTU-71416	BW 11-7-7-22 51726	NESW	Sec. 7-T7S-R22E	6/30/2011
UTU-76507	KJ 13-20-7-22 51826	SWSW	Sec. 20-T7S-R22E	8/9/2011

If you have any questions regarding APD processing, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Resource Minerals

Enclosures

cc: UDOGM

bcc: Well File